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Nov. 22, 1993

Hayo Broers
6217 Alexander Ave
Farmingdale, NY 11735

To the Federal Communications Commission,
Washington, D.C.

RE: PP Docket No 93-253
Section 309(j) Rule Making.

My reply to the matter of implementation of Section
309 of the Communications Act Competitive Bidding.

On answer of paragraph

#37 Oral bidding is the best way because it is open and
any qualified bidder who is willing to pay enough
has a chance of winning

#49 Small business owners of small markets provide
service to the public sooner than big businesses who
own both the large markets and sub-owning small
ones. The large market gets built first because it is
more profitable

#39 Electronic bidding places a big burden to small
businesses because of the mechanism required for it.

#49 Sealed bids undermine the public confidence in
the process. As the number of bidders get smaller,
it increases the possibility of collusion.

#55 Simultaneous sealed bidding also undermines
the public confidence in the process.

#57 Combinational bidding would not be available to
small businesses bidders. These markets would be
the right size for their financial resources.

#60 Final and best offer is not in the interest of the small
bidder. It may lose the market for which it sub-
mitted the initial sealed bid.

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#67 to 79. Installment payments for qualifying entities is the best form of alternate payment method to administer. For instance for a 7 (seven) year license a good way would be a one seventh down payment and six equal payments with interest at prime + 1% on the balance.

#70 The ideal formula would be a combination of initial payment plus royalties. Thus there is a public policy appeal for the Treasury to receive an ongoing stream of revenue.

#71 If a default occurs put a lien on the license. The debt is to be paid if the license is either renewed or transferred.

#77 The eligibility criteria should be for establishing a maximum of not more than a net worth of \$6 million and earnings of not more than \$2 million. Large Operators will thus be excluded.

#83 to 88. Unjust enrichment from auctions. Order to prevent this transfer should be prohibited for a period of three years after the license has been awarded.

#121 PCS and designated entities. Two spectrum blocks for designated entities are set aside then royalty payments would be the right way. If royalty payments are not being considered then installment payments should be OK.

#122 PCS Narrowband licenses should be open to all applicants and they should be entitled to installment payments.

#144 If the FCC wants to encourage qualified entity participation in IVDS it should be advisable to adopt a down payment plan plus 5% royalty payment. The bidding for one license in each market would be for the amount of the down payment. This gives maximum participation to all qualified entities.